

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

April 8, 2019

Ms. Dominique Blom
General Deputy Assistant Secretary
Office of Public and Indian Housing
U.S. Department of Housing and Urban Development
451 7th Street, SW, Room 4100
Washington, DC 20410-0001

Dear Ms. Blom,

On March 7, 2019 we received a copy of your letter to the San Francisco Housing Authority (SFHA) in which you conveyed HUD's determination that SFHA was in default of both its Housing Choice Voucher (HCV) and Low Rent Public Housing (LRPH) Contracts. In that letter you require that in order to cure the defaults, SFHA and the City and County of San Francisco (City) must submit to HUD by April 8, 2019 an MOU that: a) outlines a scheduled plan of action for the City's assumption of all programmatic and financial functions of SFHA's HCV and LRPH programs; and b) includes plans for outsourcing financial and programmatic services for the HCV and LRPH programs to third-party experts, and implementing all corrective actions from the 2019 QAD Report.

To that end, and in order to avoid default and receivership proceedings on the part of HUD toward SFHA, I submit under this cover and for your review a draft MOU that meets the requirements as outlined in your March 7, 2019 letter. Please note the draft nature of this document. Prior to finalizing any MOU between the City and SFHA, SFHA must satisfy its meet and confer obligations to its respective labor unions, and pursuant to our City Charter and State law, the MOU must first be approved by both the Housing Authority Commission and the San Francisco Board of Supervisors.

We are also acknowledging the direction you gave during an April 2, 2019 call with City staff where you stated that the City's assumption of the HCV and LRPH programs with existing SFHA staff would not satisfy the requirement in your March 7, 2019 letter to outsource financial and programmatic services for the HCV and LRPH programs to third-party experts.

I want to take this opportunity to reiterate my commitment to working with HUD, and in coordination with Housing Authority Commission and our Board of Supervisors, to establish a plan for the City to assume responsibility for SFHA's essential functions. 14,000 San Francisco households rely on SFHA housing subsidies. The maintenance of these subsidies and the conversion, rebuilding, and creation of new communities at the two remaining large public housing sites, Sunnysdale and Potrero as part of the City's HOPE SF program, is critical to improving the quality of life for thousands of residents and families. We look forward to continuing to work with your office to receive approval for the accelerated disposition of

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Sunnydale and Potrero to non-profit ownership and management, and receipt of tenant protection vouchers at funding levels that reflect the high-cost rental market here in San Francisco. Approval of this conversion is essential to putting the Housing Authority on sustainable footing, and to the City's ability to take responsibility for its essential functions.

Sincerely,

A handwritten signature in black ink, reading "London Breed".

London N. Breed
Mayor

cc: Barbara Smith, Acting Executive Director of the San Francisco Housing Authority
Gerard Windt, Director, Office of Public Housing, United States Department of
Housing and Urban Development